

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

NOMENCLATURE
CASE NO. 12681
ORDER NO. R-11680

APPLICATION OF YATES PETROLEUM CORPORATION FOR POOL
CREATION AND THE PROMULGATION OF SPECIAL POOL RULES, LEA
COUNTY, NEW MEXICO. *POOL ID 97118*

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 28, 2001, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 30th day of October, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) Yates Petroleum Corporation ("Yates") is the owner and operator of the Big Bear "ATN" Well No. 2 (API No. 30-025-35261), which was drilled in January/February, 2001 to a total depth of 13,350 feet to test the deeper Mississippian formation at a standard gas well location 1675 feet from the South line and 660 feet from the West line (Unit L) of Section 29, Township 15 South, Range 35 East, NMPM, Lea County, New Mexico, within a standard 320-acre lay-down gas spacing unit comprising the S/2 of Section 29. Yates subsequently completed this well in the shallower Atoka interval with perforations from 11878 feet to 11882 feet.

(3) The applicant now seeks the creation of a new pool for this Atoka oil production underlying the N/2 SW/4 of Section 29 with special pool rules including provisions for 80-acre spacing and designated well location requirements whereby wells would be located no closer than 330 feet to any quarter-quarter section line or subdivision inner boundary.